

Understanding Organisational Development (5UOD)

Participant Workbook

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5UOD Workbook

Outcomes

What specifically would you like to get from this training?

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How will this help you?

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Overview & Objectives

OD is all about ensuring that the organisation can adapt, through using and developing its human and other resources, to changing needs and circumstances. These changing needs could be due to:

- New customer demands
- Acquisition of new customers
- Movement into new product / geographic markets
- Acquisition, merger, joint venture / alliance with another organisation
- Increasing competition
- New technology
- New legislative or political changes
- Changing economic circumstances
- Inefficiency in production, processes and/or decision making
- Lack of flexibility in order to meet new demands

Secondly, OD is about the implementation of Interventions in dealing with these issues, which may include:

Organisational restructuring - maybe to encourage devolved decision making closer to the client / end user and / or more collaborative multi-disciplinary team working;

Work and job re-design - maybe to enhance functional flexibility (multi-skilling) and / or more autonomy and empowerment in the role;

Business process re-engineering (BPR) - maybe to focus on how to streamline procedures, processes and activities which will result in added value to the client / end user;

Collaborative learning and development interventions - that empower and provide employees with the necessary knowledge, skills and attitudes to undertake their role more effectively and provide added value to the long-term aims and objectives of the organisation.

Now Try This!

Watch this short YouTube video on the causal link between HR/L&D and Organisational Development. Can you identify five reasons as to why these two activities should work hand in hand? Why is it so important?

<https://www.youtube.com/watch?v=eHWDm0hgPPI>

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Context of Organisational Development

The Organisation Development (OD) professional area from the HR Profession Map provides insights and a framework for developing effectiveness of the HR / L&D / HR professional and their impact in terms of OD practice. The framework has identified the following key areas:

OD strategy, planning and business case development - involves the collation and analysis of qualitative and quantitative information (metrics) that enables the HR professional to provide advice on putting in place interventions (operational, tactical and strategic) in order to develop the organisation for long-term sustainability;

Organisation capability assessment - the use of models, tools and frameworks to assess the ability of the organisation to adapt to changing circumstances

Culture assessment and development - assessing and developing values, attitudes and behaviours that encourage flexibility and adaptability to change

Organisation development intervention and execution - developing OD interventions and strategies and putting these into workable action plan;

Change communications - actively involving and engaging key stakeholders in the process in order to ensure effective implementation;

So how does OD differ from organisational design and job design? Well, firstly insights can be provided by exploring the CIPD HR Map for both organisational development and organisational design.

Secondly, it is important not to get overly concerned with definitions. It could be argued that as HR / L&D / OD are concerned with best fit and the mutuality of HR processes we can be quite pragmatic in terms of definitions and interpretations. HR / L&D / OD are about ensuring that various HR / L&D / OD practices are mutually cohesive of one another (horizontal integration) in order to ensure they meet and further the strategy of the organisation (vertical integration).

However, disentangling these concepts enable HR / L&D / OD practitioners to gain deeper insights into key issues that may be the key to progressing positive actions and interventions to enhancing organisational effectiveness. Therefore, whilst organisational design is concerned with designing the necessary infrastructure (e.g. processes, business models, structures, job roles; performance indicators; skill frameworks / audits) for organisations to enhance long term sustainability, organisational development is a process of continuous monitoring and analysis of the factors that may inhibit this aim.

For example, if we consider the metaphor of the organisation as a 'human', in terms of 'design' we would focus on the body and its component parts (i.e. brain, legs, arms, eyes, heart, etc.) that enables the human to function.

Organisational Development

Organisational development (OD) specialists provide advice and facilitate the implementation of interventions to help organisations adapt efficiently and effectively to the changing environment. In essence OD is about diagnosing the health of the organisation and putting in place changes to ensure continued organisation health and long-term sustainability.

The CIPD Organisational Development factsheet provides a very good overview of the key definitions. OD as a field of study has many definitions mainly as it incorporates so many different areas - psychology, sociology, social psychology and human resource management. That said, a common thread that runs through organisational development research is that of it being:

- **Planned:** coherent and well thought out with a clear focus on the long-term;
- **Systematic:** there is a clear process and rationale for putting necessary changes (interventions) in place that enables an organisation to effectively adapt to its changing environment
- **Systemic:** ensuring that interventions are not put in place in isolation, but actually considers the impact that these have on the organisation as a whole. Therefore an intervention needs to ensure coherence with organisational aims, objectives and values and also alignment with systems, processes, structures, procedures, skills and abilities already in place.

So, OD is concerned with ensuring the organisation has in place the necessary attitudes, behaviours, frameworks, systems and processes to enable it to successfully adapt to changing circumstances. OD firstly diagnoses the health of the organisational in order that necessary interventions can be put in place to ensure it keeps performing to the optimum level through meeting stakeholder needs. Obviously, if the needs of some very powerful stakeholders are not being met then then the organisation's very survival is unlikely.

Why it is Absolutely Needed...

An organisation has to have the flexibility to make that journey of effectiveness to be successful and to survive. Take the example of Blockbuster. Blockbuster was an American company, which entered the UK in the 1990s. At its peak it was the number one video rental company. It was very popular because buying videos was relatively expensive, and customers could rent a copy, watch the video and then return for another. It was a cost-effective way for customers to watch a film.

However, the market started to change. Companies such as Netflix emerged, which allowed customers to download films from the internet. Customers no longer wanted to travel to a store and choose a film - they could do all this from the comfort of their home. In addition, providers such as Sky introduced movie channels, giving another opportunity for customers to watch what they wanted from their home. Blockbuster was struggling.

Here, there was a desperate need for organisational development. Blockbuster had been very successful, but the changing external market meant that it was suffering a serious survival challenge. It did not react effectively and eventually filed for bankruptcy.

In this situation the organisation needed to be asking what it needed to achieve to be effective. It needed to be thinking about the online offering and debating whether it could compete. It needed to be reviewing the offering it was giving in the stores and debating how that could be changed to entice customers into the store. It needed to develop to achieve a new definition of what would make it effective. It did not react quickly enough, and hence it failed.

It is important, therefore, that we take some time to think about the goal of organisations and how we might define organisational effectiveness.



A Historical Development

Historical development of OD

As with all areas of HRD / HRM, OD has a historical context. The CIPD Organisational Development factsheet provides a very good overview of the historical development of OD.

The saying that 'invention is the mother of necessity' can be applied within this situation. OD has its origins within the context of a rapidly growing and competitive business environment within the US (and 'westernised' countries) following the 'Second Great War'. This increasing competition resulted in the need for organisations to gain competitive advantage through more efficient and effective work practices.

Within this context, Lewin (1958) conducted his research on work, groups and systems theory. The theory focused on a continuous and systematic approach for implementing change. Lewin (see Learning Outcome 2 for more details) suggested the key management approach to achieving this would be through collaborative problem-solving in the cycle of planning-action-review.

Following this there was a growth in management theorists & practitioners (often commissioned by organisations) exploring factors that could enhance productivity and efficiency in order to create and maintain competitive advantage. Key factors & areas of research conducted during this period includes:

- **Management approaches:** the styles leaders adopt to manage, motivate, engage and involve their staff in decision-making e.g. McGregor Theory X & Y
- **Motivation:** the exploration of factors that encourages individuals to work 'harder' and 'smarter' e.g. Maslow's Hierarchy of Needs
- **Change and culture management:** exploration of the attitudes, values and behaviours (and the development of these) that will enable the organisation and the individuals/ groups within the organisation to adapt to change e.g. Lewin's Force Field Analysis.

In fact it could be argued that many of the theories and models were adapted from classical theorists of the early 20th century. Classical theory tended to be set within the context of stability and predictability. Within this context the emphasis of organisational design will be placed on enhancing specialist roles, clear fixed processes, hierarchical structures that enhance authority and clear lines of communication.

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Learning Outcome 1

Understand the Concept and Key Purposes of Organisation Development and the Relationship of OD with the Learning and Development Function

What is OD?

What is organisation development?

The Oxford Dictionary defines 'development' as "a specified state of growth or advancement" and, in its most basic form, this is what organisational development is. It is the practice of adapting, improving and evolving an organisation so that it can grow or advance. We develop it so that it can improve its performance and achieve its goals.

Development can take many forms and focus on different aspects of an organisation, which is why organisational development has come from various disciplines, which all take a slightly different approach to what it is and how it should be conducted. However, some fundamental principles are always present:

Organisation development focuses on maximising the value gained from the organisation's resources - for example, in an automated manufacturing plant, the development might focus on mechanical efficiencies, whereas if the organisation produces people services, it might focus on people capabilities.

Organisational development focuses on an organisation's strategy, goals and core purpose - all development is carried out to achieve these things to a greater extent. Development that's undertaken without such a focus can become incongruent with the rest of the organisation and can cause issues in other areas.

Where an organisation's main competitive advantage is delivered through their people (as opposed to technology or machinery), organisation development will involve applying behavioural science knowledge and practice, such as leadership, group dynamics and work design. This ensures that people practices are developed in a way that uses research-based insights and scientific understanding of how and why people behave the way they do.

Organisation development is related to change management in the sense that many developments would be implemented using change management practices, but also, because it is being done continuously; organisation development is a kind of planned, ongoing, systematic change that aims to institutionalise continual improvement within organisations.

Although these points could be seen to apply to almost any HR activity in an organisation, it's important that recognise organisation development activities as slightly different in the sense that they are done for a different reason than day-to-day HR activities or improvements.

(OD is a) method for facilitating change and development in people, in technology, in organisational processes and in technological structures

(Friedlander and Brown, 1974)

(OD is) the applied behavioural science discipline that seeks to improve organisations through planned, systematic, long range efforts focused on the organisation's culture and its human and social processes

(French and Bell, 1990)

Concept of OD

“The planned and systematic approach to enabling sustained organisation performance through the involvement of its people”

Organisations vary considerably. They range from the small shop in your local high street to household names such as Apple or McDonalds. The one common component of all organisations is people. Whatever organisation you choose to name, it will have people in it.

Organisations survive or fail according to the activities of these people. Those who lead and manage organisations need to ensure, therefore, that the way that they operate gives every opportunity for the people working within the organisation to be successful. Leaders take time to ensure that there are effective recruitment processes, effective learning and development activities, and also to ensure that people are rewarded in such a way that they will be motivated to perform well.

In addition to these very people-orientated issues there is also a need to look at the organisation holistically. As well as looking at the organisation as individuals that all need to be nurtured, we need to think about the way that the organisation as a whole is designed and developed. How do we put together all of the contributions from individual employees and combine these to form a successful and thriving organisation?

In answering this question there are two important areas that we need to consider.

Firstly, we need to consider the way that the organisation is designed. Are the structure, the culture, the diversity and the various other features of an organisation designed such that the people in the organisation can contribute in the most effective way?

Secondly, we need to consider the development of the organisation. An organisation needs to develop to survive. So, we need to be thinking about the process of managing change and of identifying the need for change to ensure that the organisation remains successful and competitive.

Concept of OD (continued)

All organisations, whether large or small, have an overall purpose. The purpose may be informal or not even written down but without this purpose, organisations would not exist. The purpose of an organisation could be to sell a product, provide a service, or help secure benefits / funding to an end user. Whatever the purpose, organisations, in most cases, have a number of common factors:

- They are a collection of individuals that undertake various roles to help the organisation meet its overall purpose
- There are inter-relationships and co-operation between members in order to achieve the purpose of the organisation
- There is an allocation of roles and activities to achieve the purpose
- There are defined responsibilities, communication and authority to ensure the smooth functioning of the organisation

As organisations become larger or more successful in achieving their overall purpose, there tends to be greater formality in terms of the operation and development of the organisation. Additional formality can result in the organisation formulating clear written aims, objectives, mission / vision statements and strategies in terms of how they meet their overall purpose.

Mission - expresses the general purpose and scope of the organisation's activities in line with the expectations of all stakeholders (e.g. staff, customers, managers) involved.

Vision - is a statement of where the organisation hopes to be in the future. This may include the scope and level of operations, geographic locations, the types of products / services and their quality. This provides a guiding statement for all stakeholders to aspire to achieving.

Aim(s) - why does the organisation exist? The aims provide clarity in terms of what the organisation wishes to achieve e.g. to provide support and care for individuals with a certain health condition or provide the highest quality electronic products globally.

Objectives - provides more precise statements on how the aim(s) will be achieved e.g. we will provide a dedicated help-line that will be open 24 hours a day. Objectives should conform to a SMART criteria, therefore they should be:

Specific - provide clarity on what exactly needs to be achieved

Measurable - achievement can be assessed against criteria

Achievable - within the capability (e.g. resources) of the organisation

Relevant - in terms of responsibility

Time bound - have clear date for review and achievement

Timeline of Events

- **Late 1920s / 1930s** - Early studies in behavioural science and OD - Scientific management (Taylorism)
- **1946-1970** - Emphasis on individual and group dynamics and behavioural science e.g. Laboratory training / T-Groups (Lewin mid 1940's). Tavistock Institute (Eric Trist) socio-technical approaches. McGregor 'The human side of enterprise' (1960)
- **1970-2000** - OD expands its focus beyond social processes among individuals and between groups to include strategies and design components for the total organisation e.g. systems theory (key exponent Senge). Creating/applying diagnostic models McKinsey 7S and Galbraith 5 star. Emphasis on culture and change
- **2000 onwards** - OD moves away from original preoccupations and becomes less coherent; no unified underpinning theory, borrows from wide range of disciplines

Historical Underpinnings

In understanding that OD has been around for some time, it is important to note that the way that OD has been described and understood has changed. It was probably after the Second World War that there were the first overt references to designing an organisation, when many organisations were needing to rebuild and restructure. However, organisations had to develop and change after the Industrial Revolution, which started in the late 1700s. This was also part of OD.

Indeed, it is interesting to briefly consider the Industrial Revolution. A key feature of the revolution was the move from hand-operated processes to machine-operated processes. The introduction of steam power and, as a result, steam engines, also meant that there was a change in the way that most manufacturing took place. People had to learn new ways of working, and organisations were restructured as some jobs disappeared and others were developed to replace them.

By considering the Industrial Revolution we see that organisations have had to be developing constantly due to the external context in which they operate. What is more indicative of more recent approaches to OD is the desire to understand organisations in more detail.

This is where the example of the Industrial Revolution becomes less useful. Although there were some very significant developments during the revolution most organisations remained quite simple when compared with today's organisations. They were not operating on an international scale, they were often producing a relatively narrow product range and they were working with the local talent that was available. Organisations today are required to be more creative and dynamic because they are competing on a much bigger stage, sometimes for a relatively small market share.

What we see in more recent definitions of OD is the regular occurrence of the word 'change'. Most theorists see there being a deliberate process which requires an organisation to plan a way of getting from where it is now to where it needs to be to achieve increased effectiveness. Within this definition there is the suggestion that the organisation operates as a system, with the need to understand all aspects of the organisation to achieve effective development.

To achieve this deliberate process there is a need to have a detailed understanding of the organisation.

Corporate Social Responsibility & OD

When an organisation is setting out on the journey of OD it has to have some idea of what it is aiming to achieve. We have thought about that as we have looked at issues such as culture. It is also important to have some idea of the components that need to be added together to define success - and here, we have looked at issues such as talent management and leadership.

Underpinning all of this are the values that the organisation has. We saw this at the very start of the module when we thought about the purpose of the organisation and the culture that it was trying to promote. We are now going to look at another aspect of defining what we see as organisational effectiveness - that of ethics, CSR and sustainability.

Ethics and CSR, in particular, have become important topics for business leaders in recent decades. Customers and employees have become less tolerant of organisations that achieve great results but, in doing so, act unethically. The media has made us more aware of the impacts of the actions of organisations in the developed world on those who are less fortunate. For example, exposure of Western organisations using child labour in poor countries in Africa has given a negative image of those organisations.

It is not just the image that has become important. Customers and employees (and other stakeholders) are increasingly concerned about the values that underpin the image. This has had a significant impact on the employee value proposition that we investigated in the last section. Here, we saw that employees determine whether or not they find an organisation attractive as a place to work. In the section before that, we saw how important this is, because organisations want to attract the best talent to their organisation. If ethics and CSR become something that employees value then that impacts on the EVP, on the psychological contract and on the ability to attract talent.

One criticism of the approach to ethics by many organisations is that it is little more than lip service. It is very easy for an organisation to write a mission statement, or a statement of values, that says that it will adopt an ethical approach. However, the move from making a statement of intent to actually achieving that ethical stance can be more complicated. This can be demonstrated by going back to the example of Western organisations using child labour. This has primarily been found in the textiles industry. Although customers do not like the use of child labour, they do like bargain-priced clothing. So, what does the organisation do? Does it try to meet the ethical values, or does it try to achieve on price? It might not be able to do both.

What we see is that the demands on the organisation are actually quite complex. This requires clear leadership, and also questions the role of HR in ensuring that ethical values are in place in the organisation. If HR is the function that is responsible for the people in the organisation, then surely it should also have responsibilities relating to ethics. Or should it?

Contributions of OD

Although these decisions may be made across the various levels within the organisation, they do have one common strand, these decisions should have the active involvement of HR / L&D practitioners. Given the reliance on the human resource within the process and the added value these create to ensure organisational effectiveness and long term sustainable success, OD aims to put in place interventions that can ensure the organisation's human resources can fully utilise skills, knowledge and behaviour to deliver organisational aims and objectives.

However, given that human resources are hopefully not like any other resource, to be used if and when needed, OD practitioners, and all key stakeholders concerned with organisational development need to be fully aware of the need to ensure that its employees are:

Developed with: (1) an advanced level of knowledge in order to provide creative / innovative ideas in terms of new products, processes and services; (2) higher level skills and multi-skilled to meet client / service user needs and enable them to flexibly use skills when needed; (3) attitudes aligned with the organisation's values and which will enable individuals to demonstrate behaviours that will ensure they are flexibly able to adapt to the organisation's changing needs;

Motivated and incentivised to providing their skills and knowledge (and the enhancement of these) to help the organisation meet its aims and objectives and provide added value to all of its stakeholders;

Committed and loyal to the organisation in helping it meet its long terms aims and objectives;

Engaged willing to provide the additional discretionary effort through fulfilment of the psychological contract. The aim is to ensure that the expectations of individuals are fully met in order to enable them to become fully motivated, committed and focused on how they can add value to organisational aims and objectives whilst willingly sharing their knowledge and ideas with other key stakeholders;

In order to obtain the optimum levels of development, motivation, commitment and engagement, OD focuses on the following factors:

Assess and Justify a Range of Purposes of Applying OD in Contemporary Work Organisations

As already mentioned in the assessment criteria for 1.1 (above), the application of OD interventions can be due to changing external factors such as new customer needs, changing technology and legislation; and / or internal factors such as inefficiency in production, processes and/or decision making.

Also as identified above, interventions in dealing with these can include: organisational restructuring; work / job redesign; business process re-engineering (BPR); collaborative L&D interventions; cultural management workshops and employee involvement interventions.

In terms of purpose, a diagnosis of an organisation's health may determine that changes may need to be made in terms of:

- **Strategic decision making:** in terms of the long term future and scope of the organisation's operations e.g. diversification into new products, services or geographic markets
- **Tactical decision making:** in terms of the organisation positioning itself more effectively to meet stakeholder needs e.g. price of products or services; different ways of providing the service (e.g. online)
- **Operational decision-making:** in terms of new processes, structures, frameworks within the organisation e.g. putting in place a new behavioural competency framework

Obviously these decisions can be fully integrated and mutually supportive of one another. For example, a competency framework may focus on the behaviours required to meet the strategic long terms aims of the organisation.

Although these decisions may be made across the various levels within the organisation, they do have one common strand, these decisions should have the active involvement of HR / L&D practitioners. Given the reliance on the human resource within the process and the added value these create to ensure organisational effectiveness and long term sustainable success, OD aims to put in place interventions that can ensure the organisation's human resources can fully utilise skills, knowledge and behaviour to deliver organisational aims and objectives.

Assess and Justify a Range of Purposes of Applying OD in Contemporary Work Organisations (continued)

In order to obtain the optimum levels of development, motivation, commitment and engagement, OD focuses on the following factors:

- **Organisational change:** engaging and involving individuals in driving forward change to meet the evolving circumstances and stakeholder needs. Key issues involve putting in place frameworks, processes and initiatives for the development and encouragement of flexible skills, knowledge, attitudes and behaviours that enables the organisation and its individuals to adapt;
- **Organisational culture:** diagnosis of individual and group values, attitudes, beliefs and behaviours that may, enhance or deter an organisation's ability to adapt to changing needs
- **Organisational climate:** creating and developing an atmosphere that can influence the attitudes and behaviours of individuals. Management styles, employee voice, team-working and engagement practices can heavily influence the climate of the organisation;
- **Performance and development:** the performance frameworks (e.g. competencies, key performance indicators) that an organisation implements in alignment with organisational objectives & stakeholder needs and the development interventions in support of enhancing high performance working practices. As managers are vital to the implementation process management development is a vital aspect of the OD process;
- **Organisational design:** implementation, development and maintenance of organisational structures, flexible job roles, processes, procedures, systems and frameworks in order to enhance the efficiency of work processes, the speed of decision-making, the use and sharing of knowledge and the flexibility of job roles

The key focus for OD is on performance and enhancing agility - enabling both the individual and the organisation to adapt within a volatile, uncertain, complex and ambiguous environment.

Explore and Assess the Relationship of OD Practice with the L&D Function

Learning and development is a key component of OD practice. Given that OD is all about ensuring an organisation is able to adapt to its changing environment, it has to be noted that organisations are reliant on the flexible skills, knowledge attitudes and behaviours of its workers in achieving this aim. Therefore, the L&D function is pivotal in putting in place strategies and interventions for developing not only the organisation's skills and knowledge base, but importantly helping develop positive attitudes and behaviours that engages the organisation's human resources to develop their skills and knowledge to meet current and future organisational needs.

Organisation development is concerned with devising, implementing and reviewing interventions and strategies which ensure that the human resources of the organisation are engaged, motivated and committed to developing themselves in order to enhance performance and the ability for the organisation to adapt to changing circumstances.

Learning and development, is about developing individuals' knowledge, skills and behaviours to enhance their performance. It arguably integrates learning, organisational development and career development in order to enhance individual, group and organisational effectiveness.

Organisational development takes on strategic approach for managing its people and integrating the various organisational & HR components to enhance effectiveness. The L&D function (and its professionals within the function) has a vital contribution to make in terms of:

Enhancing and developing professional practice in terms of 'strategic, insights and solutions' and 'collaborative' working with key stakeholders in order to provide clear, relevant, reliable, valid and informed organisational development advice.

Researching and using good practice in terms of both L&D and OD. The research could be from academic literature (that has explored good practice); identification of cases or organisations that have successfully adopted 'good practice'; or taking on a collaborative approach in order to determine views and ideas of key stakeholders (e.g. employees, managers, customers, etc).

Reviewing theories and models that provide deeper insights into the factors that contribute to effective organisational development and providing solutions in collaboration with key stakeholders.

Some More Suggestions..

Developing senior and line management capability in terms of leading and managing change within organisations

Putting in place the necessary L&D frameworks i.e. strategies, policies and coaching to facilitate the change process

Developing, maintain and reviewing key performance indicators / L&D metric frameworks that, firstly, identify the need for organisational design solutions and, secondly, evaluate barriers to, and 'adaptability' to change.

Identifying and implementing strategically aligned frameworks that promote career development plans, where staff are both engaged and empowered to take an active role in developing skills, knowledge and behaviours and 'sculpting' their roles to meet the organisation's sustainable strategic needs.

Identifying and implementing competency frameworks, that enables organisations to develop and manage behaviours that further strategic aims and meet changing consumer & customer needs.

Development of engagement strategies and policies that enhance 'the psychological contract' and the ability, motivation and opportunity (AMO) of individuals, in order for them to play an active role in the organisation and job design process.

Implementation of effective L&D evaluation, in order to monitor and develop the added value of L&D in the OD process.

Exploring the Link Further

Hopefully, you are now developing a much clearer picture of what organisational development and design is all about. To develop this understanding further listen to the CIPD Podcast 28 - Organisational development which debates the nature of organisational development. Write down some notes in the box below for a class discussion with your tutor.

Listen to this!

<https://soundcloud.com/cipd/podcast-28-organisational-development>

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Exploring the Link Further (continued)

Listen to this!

Now listen to the CIPD Podcast 44 - HR and organisation development: separate past, joint future? This specifically questions the way that OD and HR interact, and hence gives a useful insight into the material that you have just read:

<https://soundcloud.com/cipd/podcast-44-hr-and-organisation-development>

Share your notes and thoughts with your tutor.

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Formative Assignment

Formative assignment 1

You have just been appointed as the HR Manager for a local hotel in Dubai. Sadly it hasn't performed very well in recent years due to a lack of refurbishment and not having a child friendly swimming area, so it isn't a considered a family friendly resort. Given the attraction of Dubai to British holiday makers and other surrounding home nations, the hotel really needs to recruit an OD consultant and you believe that somebody external would be best.

Task: prepare a brief report to the Managing Director outlining the reasons why OD is so important and what advantage it can bring to the hotel if approved.

Word limit: 500 words

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Learning Outcome 2

Explain & Evaluate a Range of Models of OD, Including Associated tools and Techniques

Describe and Explain a Range of Models of OD and Explain Tools and Techniques Associated with Each Model

In helping develop and enhance organisational health and effectiveness, there are a range of models, theories and techniques that OD practitioners can draw upon within their 'OD toolkit'.

Theories, models, tools and techniques provide HR / L&D / OD practitioners with vital information in order to aid effective and informed decision-making. In addition to the research being based on 'best practice' and firm academic or scientific grounding, theories and models provide insights, ideas and frameworks for determining development solutions.

Diagnosing the issue:

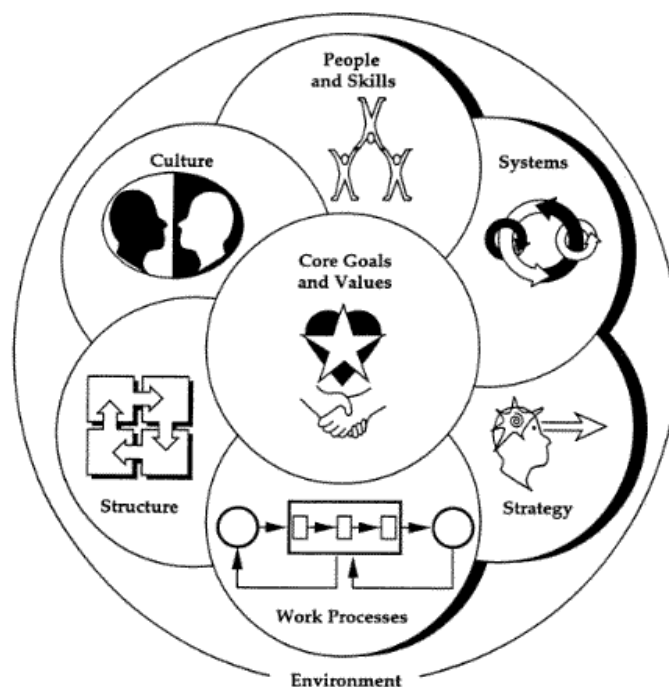
The initial diagnosis of an organisation's health is vital, without a thorough diagnosis the OD practitioner may not have full awareness of the key problems and issues and may not fully explore the underlying causes for these. This may result in the implementation of inappropriate interventions, which may not only waste time and money, but could exacerbate the problem / issue, or indeed create new problems.

In terms of diagnosis (not to mention implementation and evaluation), it is absolutely vital to obtain an in-depth analysis of the organisation and in particular the views and ideas of all of its stakeholders (importantly 'client facing' staff). Not only will this enable the collection of a range of viewpoints from different perspectives (particularly those with a direct client interface) it also demonstrates a commitment to active stakeholder involvement, which in turn could lead to higher levels of employee engagement.

Understanding Change

Gelinas-James Model

Change might be needed in different elements of the organisations. One of the models that explain the key organisation components is Gelinas James model. It can be used to diagnosing organisation health and identifying needed improvements. The model outlines seven key organisational elements as shown on the model below.



- **Core goals and values** - what the organisation stands for and wants to achieve
- **Strategy** or basic approach to achieving its mission or purpose
- **Business processes** and relationships with citizens and suppliers
- **Structure** - how people are organised in relation to one another (e.g., the definition of departments, units, and levels of supervision), as well as the physical layout
- **Systems** or the procedures that make the organisation run, including information, planning, human resources, communication, evaluation, and renewal
- **People and skills** - the types of professions, knowledge, and skills
- **Culture** - the collective pattern of behaviours, values, and unwritten rules developed over time in an organisation.
- **Environment** - the citizens, including their needs and requirements, as well as market trends, technological advances, regulations, and demographic shifts

Understanding Change (continued)

Aspects of change impact

Again, whilst models such as the Gelinas-James model give us some help in thinking of the scope of change, whether change is going to be easy or not depends on different factors including but not limited to the following outlined dimensions. Having a deep understanding of all these elements when designing and implementing change initiatives is essential as it helps leaders have a broader view of change and its consequences.

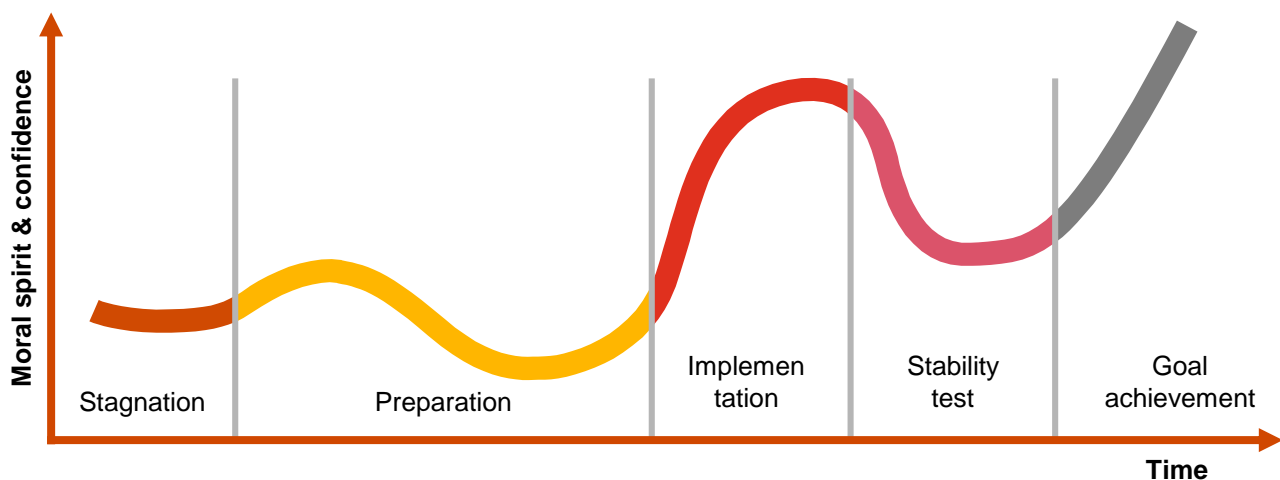
Amount The number of alterations required by the change	Scope The range or span of the organisation affected by the change	Time The amount of time the participants have to implement the change
Transferability The degree to which the change is easy to communicate and will be understood by participants	Predictability How well the participants can accurately anticipate the effect of the change on them	Ability The degree to which change targets feel they have or can attain the knowledge and skill necessary to implement the change
Values The degree to which the change targets must change some of their strongly-held beliefs about the way they are operating	Emotions The extent to which the change requires targets to feel differently about people or operating procedures	Knowledge The degree to which the change requires participants to learn new information or view existing information differently than they have in the past
Behaviours The extent to which the change requires targets to modify their daily routine of job-related activities.	Logistics The degree to which the change requires any significant alteration in the targets' job procedures, such as scheduling, time management, and equipment utilisation.	Economics The degree to which the change requires targets to operate differently regarding budgets, expenses, or funding

Paying attention to all these aspects is significant, but as John Kotter once said. "The central issue to creating change is never just strategy, structure, culture, or systems. The core of the matter is always about changing behaviour of people...how they see and think about what is new or proposed...People's resistance should not be underestimated and is often difficult to identify and control".

Understanding Change (continued)

Organisational change curve

Each organisation goes through different stages that eventually requires change either for improvement, to achieve desired growth or to adapt to organisations' changing conditions. The illustration below is a typical organisational change curve.



Source: Boston Consulting Group Report

Stagnation - an organisation becomes complacent as work processes become familiar and the comfort level grows. Stagnation can result from any number of factors: poor strategy, lack of leadership, a shift in the market, product failure, a lack of new products or services, too few resources, an outdated technology or process, or poor execution of a business model.

Preparation - this stage is prone to rumours, gossip, and a general drop in productivity. Not surprisingly, when leaders aren't aligned during the preparation phase, battles erupt among rival factions. Instead of the organisation rowing in a single direction, individuals frantically combat each other and the ship flounders.

Implementation - marked by management announcing an overall plan and actual assignments. Managing the logistics of change is essential, but it's also important to address emotional undercurrents, which can range from elation to despair. In the end, change is not just a blueprint for a new structure. Success comes from altering people's mind-sets and work practices. Ultimately, that requires handling any resistance to change such as communication, incentives, training, and learning new strategies.

Stability test and goal achievement - The organisation really has changed, and it is able to recognise and celebrate its accomplishments. However, exceptional change leaders realise that their most important legacy is not just in creating a single transformation but in teaching the organisation how to perpetually change and adapt to avoid returning to stagnation stage.

Understanding Change (continued)

Individual Motivators for Change (WIIFM)

In order to get the buy in for change from employees, you will need to answer the question that they will surely ask “What’s in it for me?”. The change management leadership must create energy and engagement around the change. This will build momentum and instill support at all levels of the organisation.

According to recent study, there are three primary individual motivators for change apart from money:

- **Facilitate learning** - Employees who feel more invested in the process of company change show higher levels of motivation. This allows for a smoother transition and helps your company increase overall productivity
- **Alignment of goals** - Aligning the business goals of your company with the personal goals of your employees can help you increase workforce motivation through an organisational change
- **Transparency** - Allows employees to feel more involved with your company's new initiatives

This should all be considered when developing a communications plan for the change. Each stakeholders will be considered separately and address their WIIFM in the communications plan. This will reduce the resistance to change. The development of communications plan will be discuss in Module 3, Implementing Change.

Planning for Change

Understanding the Stagnation Stage

This is when an organisation becomes complacent as work processes become familiar and the comfort level grows. It begins only at the time when someone able to influence the situation in the company becomes aware of this phase.

Signs of stagnation phase:

1. Outdated goods and services
2. Decline in sales volumes
3. Decline in the stock prices
4. Reduction of the market share
5. Customers' loss
6. Drain on talent
7. Lack of decent press coverage
8. The inability to attract new capital
9. The inability to attract the best talented specialists
10. Loss of sense of danger. The belief in the eternal existence of the company and its jobs
11. The lack of energy, fatigue, depression
12. There is no laughter, there are whispers
13. Counting minutes to the end of the working day
14. Indifference
15. Depression
16. Hyperactivity

Certainly, not all of these signs will appear simultaneously. However, generally if item 3 or 4 appears, this is the a sign that change should be undertaken.

Stagnation diagnostic:

For a real diagnosis of the stagnation state it is necessary not only to analyse the financial and economic information, **but also to talk to people in person, especially to outsiders such as** unsatisfied clients and partners who break relationships with us, firing employers, irritated counteragents, subcontractors, etc.

Planning for Change (continued)

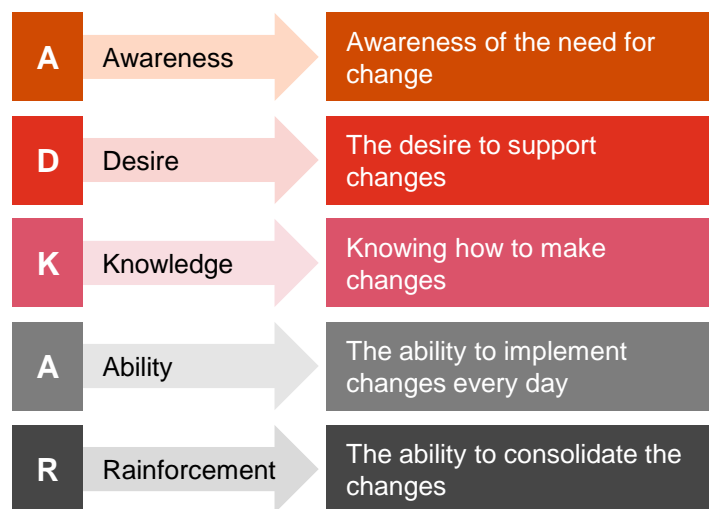
Questions that can be asked:

- Do you like to work with us? If so, why ? If not, why not?
- Do you see an integral part of your business in our product or service?
- Do we present a unique value to you or are our competitors equally attractive?
- How has your attitude toward us changed for the last X months / years?
- What exactly could we change so that your attitude toward us would drastically change?
- How would you describe our company to a colleague or a friend?
- Could you compare us with your ideal?

Planning for Change (continued)

ADKAR Model

The **Prosci ADKAR Model** is a goal-oriented change management model to guide individual and organisational change. Created by Prosci founder Jeff Hiatt, **ADKAR** is an acronym that represents the five outcomes an individual must achieve for change to be successful: **awareness, desire, knowledge, ability, reinforcement.**



When applied to organisational change, this model allows leaders and change management teams to focus their activities on what will drive individual change and therefore achieve organisational results. ADKAR provides clear goals and outcomes for change management activities. It also provides a simple, easy-to-use framework for everyone in the organisation to think about change. Employees, managers and senior leaders alike can all use ADKAR to describe and discuss change together.

A	List the reason why you feel that changes are needed. Assess the level of the awareness of the people involved in the change implementation
D	List all the consequences (good or bad) affecting the desire to support change
K	List the skills and knowledge necessary to implement the changes, taking into account the knowledge about how people should change
A	Evaluate the ability of people to use the existing skills and knowledge and / or their ability to acquire new knowledge and skills
R	List the factors that really contribute to the consolidation of the changes

Planning for Change (continued)

The outcomes of the organisational change process need to be realised sequentially. The elements of the ADKAR Model must be addressed in order. The first element with a score of 3 (or 75%) or below must be addressed first. If awareness was identified as the first low-scoring area, this is where you must begin. Working on desire, knowledge or skill development, if awareness is not firmly in place, will not help the change happen.

This is similar to having the strategy for change but do not have the right culture to encourage change. A Strategy is a prediction of a future competitive situation and the determination of ways allowing to win in the expected circumstances. A Culture is a set of the behavioral models of an organisation, stipulated by beliefs, habits and attitudes formed in the "past reality". In this case, The strategy moves ahead of the reality and The culture lags behind the reality and restrains the strategy. Change initiative in this case will not be successful.

An important part of the development of the change strategy is to describe new models of organisational behavior which can bring victory.

Planning for Change (continued)

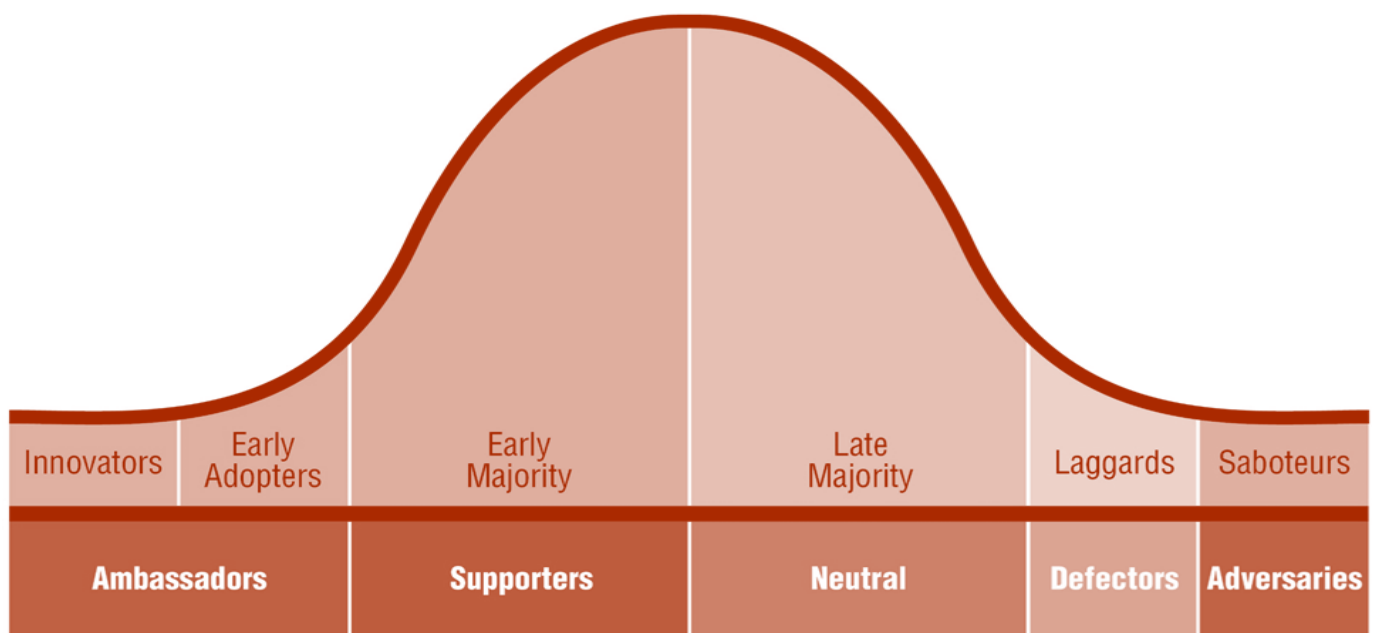
Creating the key persons' constructive dissatisfaction

Satisfaction is an emotional response to the conditions of our life. Challenging work, achievement, enhanced responsibility and personal growth are specific sources of satisfaction in our work. In organisations, people who want to achieve more are happier and more productive when they are dissatisfied. Such constructive dissatisfaction motivates people to contribute even more. When people achieve greater success and receive recognition, they find the satisfaction they seek, setting the stage for new constructive dissatisfaction.

Key persons are employees whose support is essential or highly desirable for the organisation to adopt a decision about changes. The key persons may be a few people, even if the organisation has a single head. You should use motivating wording to demonstrate how the implementation of the change vision will meet the needs of the key persons.

Curve of adaptation to change

Adjustment to changes happens unequally. There are conservative people who will never change their usual way of life. Even now there are people who do not use mobile phones and computers (and we are not talking just about older people). This is illustrated by the "Innovation Adoption Curve of Rogers. This is a model that classifies adopters of innovations into various categories, based on the idea that certain individuals are inevitably more open to adaptation than others.



Planning for Change (continued)

- **Innovators** - Brave people, pulling the change. Innovators are very important communication
- **Earlier adaptation** - Respectable people, opinion leaders, try out new ideas, but in a careful way
- **Earlier majority** - Thoughtful people, careful but accepting change more quickly than the average
- **Later majority** - Skeptic people, will use new ideas or products only when the majority is using it
- **Later adaptation/laggards** - Traditional people, caring for the “old ways” are critical towards new ideas and will only accept it if the new idea has become mainstream or even tradition

This is useful to remember that trying to quickly and massively convince the mass of a new idea is useless. This is an important way to understand the key person's grouping to determine if they will support the change initiative or not as part of preparation for change.

The stagnation stage ends at the moment when one or a group of influential leaders come to believe that the situation must change.

Planning for Change (continued)

Preparation

Manager's goal at this stage will be as follows:

- Develop a clear (to employees) and realistic formulation of the vision and action plan
- The consolidation of the management team around the vision of the future and the chosen strategy
- The consolidation of a critical mass of supporters around the vision and action plan

Develop a clear (to employees) and realistic formulations of the vision and action plan

- Development of strategy

The consolidation of the management team around the vision of the future and the chosen strategy

- Agreement with key persons on changing the patterns of their behaviours

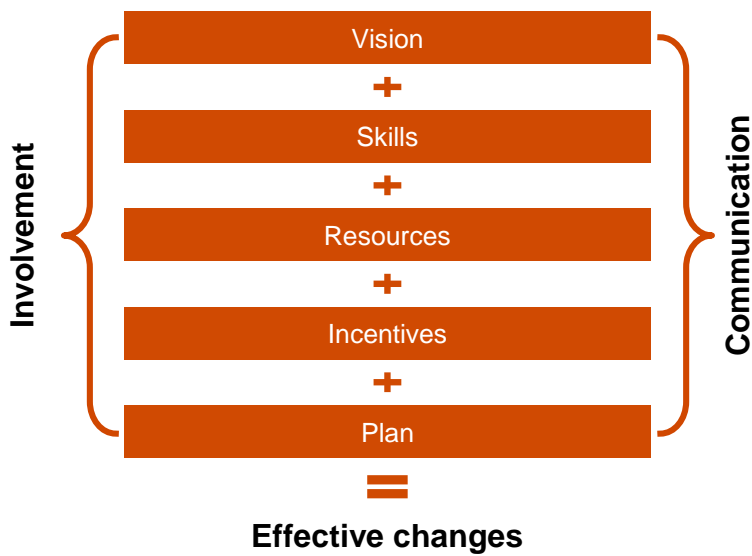
The consolidation of a critical mass of supporters around the vision and action plan

- Effective communication

Planning for Change (continued)

2.6 Ingredients of Effective Changes

To ensure that the change initiative will be successful, all aspect should be complete - plan, incentives, have the right resources, skills and most importantly the vision.



Vision	+	Skills	+	Resources	+	Incentive	+	Plan	=	Changes
		Skills	+	Resources	+	Incentive	+	Plan	=	Uncertainty
Vision	+			Resources	+	Incentive	+	Plan	=	Helpless
Vision	+	Skills	+			Incentive	+	Plan	=	Disappointment
Vision	+	Skills	+	Resources	+			Plan	=	Resistance
Vision	+	Skills	+	Resources	+	Incentive			=	Randomness

Implementing for Change

Overview of model

The implementation phase starts when you do not only have a detailed idea of the desired state, but also know who must do what and do main focus of the manager in this stage is to ensure a successful start, communicate and monitor.

Group exercise:

Objective: Understand the change management process

Work with your team to identify the key steps that a change initiative has to go through.

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Which stage is the most important and why?

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Which stage is the most challenging at your organization and why?

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Implementing for Change (continued)

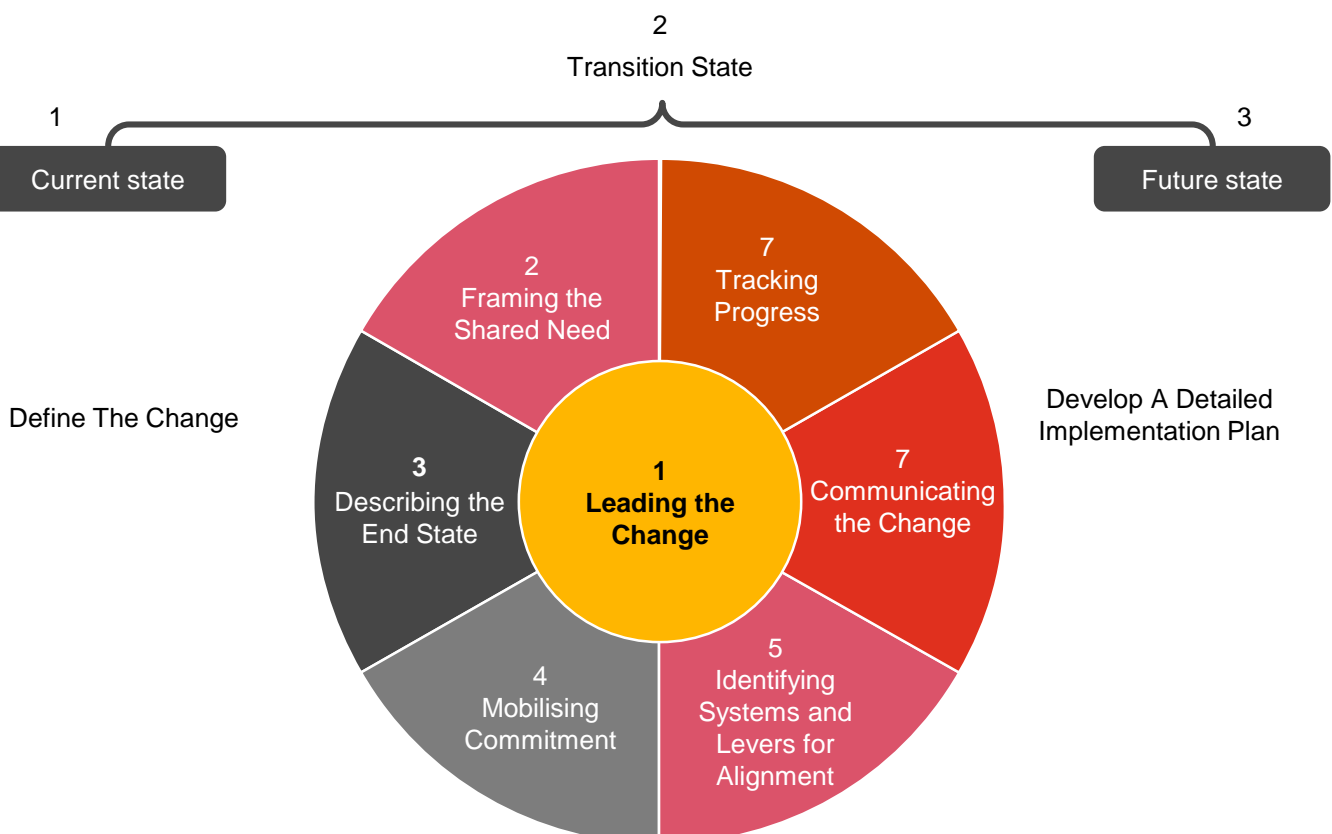
Overview of model (continued)

General Electrics Management Development Center commissioned a team to examine research and theory on change and to synthesise this research into the key success factors for successful change. This team studied more than one hundred articles, chapters, and books on change and identified the following seven critical factors for success

Change can be simply explained as a process of three steps. The first stage is about developing a deep comprehension of the current state and why change is needed. Organisations don't change because this is a good thing to do, without clarity about the existing situation and why change is needed organisations resources and efforts might be wasted in doing the wrong thing. This understanding usually takes the form of benefits definitions which then become translated into objectives, projects and initiatives.

The second critical element is the future state. This is how the organisation should look like after change is successfully implemented. At the beginning, a precise description might be difficult to be developed because of high level of uncertainty that might exist in certain environments and situations but when change activities are gradually implemented, the vision becomes clearer and tangible.

The transition phase is the context where most of the change actions happen. Seven critical activities were identified to be the fundamental building blocks for a successful journey.



Implementing for Change (continued)

Leading the change

No one person, however competent, is capable single-handedly of completing all the tasks required in leading a large organisation through change. Putting together the right team of people to lead and manage the change is critical to its success. You must find the right people, instil between them a significant level of trust and develop a shared objective which will help them drive the change through the organisation.

Exhibiting leadership behaviors that clearly signal the need and vision for this change; leading the team through all the change processes.

Outcomes

- The **Change Initiative Team is defined**: the Sponsors, Change Agents, change advocates and Change Targets
- The **roles are defined** and a plan is in place for explaining to each team category what their role is, why it is important and how their support is important for the Change Initiative success.

Key roles during change process

- **Change Sponsor**: The Change Sponsor is the person or group who has the authority to require the targets to comply with the change
- **Change Agent**: The Change Agent is the person whose job it is to interact with the Change Targets to enable them to change as required
- **Change Advocate**: An individual (or group) who wants to achieve a change, but doesn't have the authority to make it happen
- **Change Targets**: The Change Targets are the people who must do the changing

Implementing for Change (continued)

Building the Team

To effectively implement a team positioned for success, leaders must select members who display a high degree of skill in six key elements:

1. Commitment
2. Contribution
3. Communication
4. Cooperation
5. Conflict management
6. Connection

The team must represent all of the needed functional groups and roles necessary to manage the change initiative. By formalising the team and providing funding and other resources, it sends a message of accountability and responsibility, and illustrates the investment the organisation has made in the change.

Implementing for Change (continued)

Why have a change leadership team?

It is clearly not possible for change to be driven singlehandedly from the top of the organisation. This is especially true in large hierarchical organisations, where there may be significant space between top senior management and grass roots employees. Given that many change initiatives have faltered due to the lack of commitment and buy-in from the ground, getting people to buy-in to change behaviour requires time and a connection with their beliefs, their hopes and fears; and it takes establishing trust and credibility, not just power, for employees to be open to be influenced at all, let alone actually changing their behaviour.

How would you describe the relationship of your companies senior leadership team to operational employees? How would that impact on your ability to influence change?

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What would you say are the benefits of setting a change leadership team to guide the change effort?

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What would you say are the risks of delegating your vision of change to change leadership team to guide the change effort, rather than controlling from the top?

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Models and Frameworks

Survey research and employee involvement

Enables the organisation to acquire feedback, determine attitudes and gain active involvement to enhance organisational efficiency and effectiveness. Tools include:

- **Questionnaires / surveys:** structured process of gaining feedback on key issues from workers (key stakeholders)
- **Client and Employee forums:** formal or informal groups of employees (regardless of union membership) meeting with management for consultation; information sharing and hopefully co-decision making
- **Improvement groups:** employees who may meet regularly to discuss and solve work problems
- **Joint consultation:** formal mechanism for management to consult with employee representatives
- **Quality circles:** volunteers who meet regularly to discuss and propose ways of improving working methods under a trained leader or facilitator
- **Suggestion schemes:** employees proposing ideas to management and receiving incentives or recognition if ideas are taken on board

In addition, the following models provide useful frameworks in terms of generating ideas, using good practice and making key decisions with regards to organisational design and development. In particular they provide both diagnostic and evaluative considerations for determining the relationships between the various organisational elements and the business strategy.

Burke-Litwin Causal Model: provides a framework for assessing organisational and external factors that impact on change and performance

Galbraith's Star Model: focuses on how strategy; structure; processes; reward systems; and people policies help inform and guide decision making.

Ralph Kilmann's Five Track Model: a diagnostic tool that evaluates: (1) culture (purpose, trust and flexibility); (2) management skills (managing complexity); (3) team building (help members manage complexity); (4) strategy / structure (alignment of structure and resources with strategy); (5) reward systems (align incentives with performance)

Further Models and Frameworks

McKinsey 7-S Model - provides a framework of internal aspects in alignment with external factors

Nadler and Tushman **Congruence Model** - tool for understanding organisational dynamics during periods of change

Six Sigma - quality management processes tool devised by Motorola. The aim being to identify and remove defects in the production process. It is a statistical approach to identifying errors in the process

Weisbord Six Box Model - focuses on how purposes; structure; relationships; rewards; leadership; and helpful mechanisms (e.g. technologies) help inform and guide decision making

Ken Wilber's AQAL Model - tool for integrating cross national / cultural systems. The acronym stands for 'All Quadrants, All Levels' or 'All States, All Types' and focuses on: (1) individual interior - beliefs, attitudes and values of the individual (2) individual exterior - the words, actions and behaviours of the individual; (3) social interior - the beliefs, values and culture of the collective; (4) social exterior - the external structures and systems of the collective.

The balanced scorecard (BSC) is a **strategic planning and management** system that organizations use to:

- Communicate what they are trying to accomplish
- Align the day-to-day work that everyone is doing with strategy
- Prioritize projects, products, and services
- Measure and monitor progress towards strategic targets

The system connects the dots between big picture strategy elements such as mission (our purpose), vision (what we aspire for), core values (what we believe in), strategic focus areas (themes, results and/or goals) and the more operational elements such as objectives (continuous improvement activities), measures (or **key performance indicators, or KPIs**, which track strategic performance), targets (our desired level of performance), and initiatives (projects that help you reach your targets).

Further Models and Frameworks (continued)

Systems theory

Set within the framework of a dynamic and constantly changing environment. Organisations are open systems that need to adapt due to the changing environment and the influence and behaviours that individuals may bring in shaping and developing the organisation. The theory accepts that organisations are not static. In fact, they are open systems where people bring all sorts of influences from the environment in which they operate within. To add to the complexity, the system is influenced by subsystems including: (1) technological systems - work, tools and techniques for achieving tasks; (2) social systems - how people think and interact.

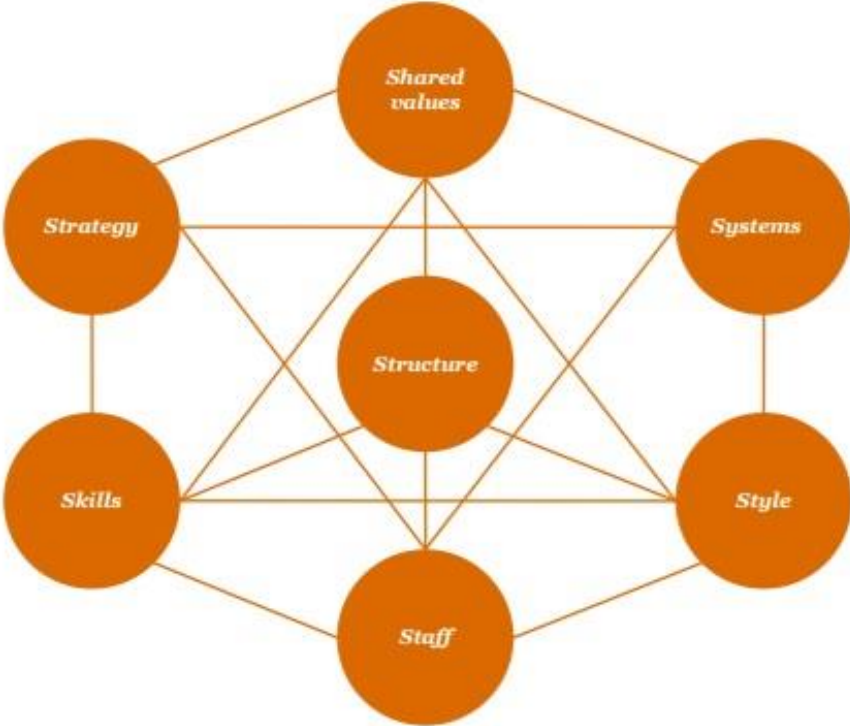
Learning and Development models and theory

Learning and development theory focuses on how individuals learn and their motivation to learn. Learning can be vital to organisational success, particularly within organisations that requires their workers to share ideas and knowledge in order to enhance innovation, creativity and flexible / effective working practices. Key learning theories include:

- **Reinforcement (behaviourism) theory:** focuses on behaviouralism in that the belief is that individuals can be conditioned and will change their behaviour based on a response to events or stimuli (e.g. a pay rise, threat of a warning). Common L&D interventions include: on-the-job training and assessment / tests.
- **Cognitive learning theory:** using information to acquire knowledge and put into context. Common L&D interventions include: off-the-job instruction; e-learning packages with case studies / further reading; workshops, sending employees on college / university courses (with assignments / exams); self reflection.
- **Experiential learning (constructivist) theory:** self-directive learning that encourages individuals to learn and reflect on experiences and additional development needed in order to apply to new and adapting situations. Common L&D interventions include a whole range of interventions which the individual would choose to meet their own learning needs / styles / circumstances: coaching, mentoring, job shadowing, on-and-off-the-job training; educational courses; further reading; self-reflection; project working; action learning sets - the list is not exhaustive as it is based on the needs of the individual.
- **Social learning (social constructionism) theory:** enhancement of learning through social interaction and the sharing of knowledge, ideas and solutions. Common L&D interventions include: using social media / wikis / web-cams that encourage collaborative working; coaching; mentoring; job shadowing; project and multi-disciplinary team working.

Knowledge Test

Can you name these two 5UOD theoretical models?



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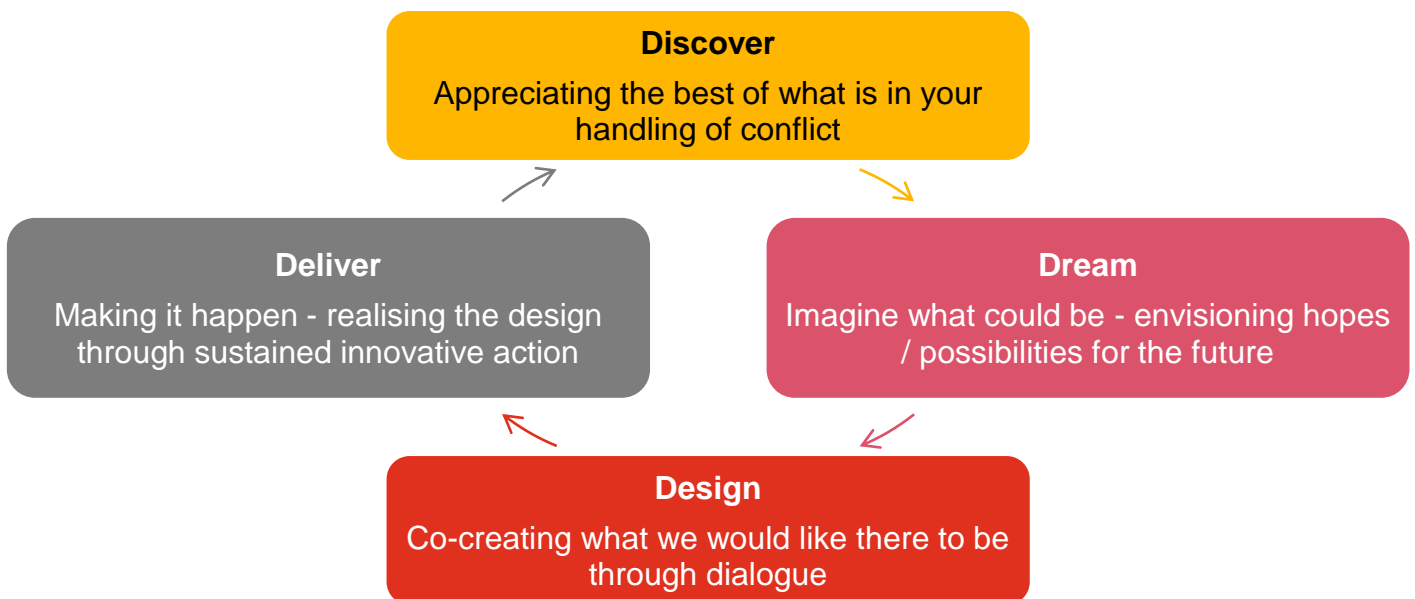
Additional Models and Frameworks

Additional models / approaches can include:

Action Learning and Research: social collaborative learning where learners in the form of an action learning set, meet regularly to discuss, reflect and find solutions to common problems or issues. In order to enhance flexibility and encourage wider thinking, organisations are using multidisciplinary teams, sometimes encouraging outside participants (e.g. from competitors, suppliers) to share knowledge and gain a wider appreciation from different perspectives. 'Communities of Practice' is another term used for a group sharing knowledge within a social learning setting

Appreciative Inquiry: Appreciate inquiry is a technique which uses affirmative questioning techniques based on inquiry (not interrogation) and language to stimulate positive (appreciative) thinking.

It aims to break people out of their typically negative patterns and habits, in order to motivate them. Appreciative inquiry as a method for organisational change was created by Cooperrider (photo below) and Srivastva in 1987.



Appreciative Inquiry

Watch this!

Discuss with your class colleagues and tutor how effective you think AI is. Would your business benefit from it?

<https://www.youtube.com/watch?v=3JDfr6KGV-k>

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OD Tools and Techniques

Change, behaviours and attitudes

Change management explores individual or group attitudes, feelings, emotions, behaviours and deep rooted assumptions and beliefs. Exploration of these issues, including barriers, can enable managers (and workers) to explore how they can adapt in order to enhance effectiveness in terms of performance, impact on others, collaborative working and openness to new ways of thinking and working. Some of the tools that can be used include:

- **T-groups (sensitivity training):** training that enables the participants to explore how they relate and interact with other group members. It provides participants with an opportunity to learn more about themselves and the impact on others.
- **Kubler-Ross:** adapted for the change management process, this model provides a useful managerial tool for determining the support that can be provided for staff to help them adapt to the change and then move forward to contributing to organisational aims and objectives. The stages (and individual reactions) include: (1) Shock, denial and anger; (2) Frustration, fear and depression; (3) Acceptance, understanding, exploration; (4) Commitment and moving on
- **NLP:** neuro-linguistic-programming focuses on how individuals develop 'internal' mental maps in terms of what is absorbed, filtered and perceived in terms of the information we receive. NLP aims to enable individuals to raise awareness of how they organise and use their thoughts, feelings, language and behaviours. The stages involve: (1) Neuro - how we process and filter information we receive; (2) linguistic - assigning language and forming meaning to this information; (3) programming - our behaviours as a result of the neuro and linguistic stage
- **Emotional Intelligence:** enables individuals to further understand and recognise their emotions and that of others. Recognition of our own emotions raises awareness of the impact on others and how we can build positive relationships
- **Grid training:** managerial grid based on two behavioural dimensions (1) concern for people - leader considering the needs of the team; (2) concern for production - setting of clear objectives in order to enhance efficiency and performance.

Overcoming Resistance to Change

If you were asked to try and help overcome resistance to change in your organisation, what interventions would you suggest and why?

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Why do you think that some employees are so resistant to change?

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Evaluate and Justify the Application of Different Models, Tools and Techniques to Meet Varying Purposes

The previous section provided an overview of the different models, tools and techniques that can be considered. However, rather than merely seeing these as a wish-list of possibilities, OD practitioners should undertake a full evaluation (judgement) in terms of which of these apply to certain organisational contexts in certain situations.

For example, it is all very well identifying the need for action learning sets, however, organisations that have successfully implemented these have, on the whole, done so through fully diagnosing whether the necessary structures, processes, skills / knowledge, systems, culture and management support is in place. Given that action learning sets aim to encourage multi-disciplinary team working and more democratic bottom-up decision making, this may not, in the first instance, be an appropriate intervention within a context of rigid hierarchical / functional structures, where there is a management style and culture of autocratic decision making and micro-management.

Another example, could be related to the implementation of coaching and mentoring. These interventions again will rely on a context of a supportive and collaborative management style and a culture that embraces continuous learning and empowerment. In addition, these interventions are more successfully implemented when leaders have received the necessary leadership development and employees have also been provided with clear information and coaching where they fully appreciate the benefits of facilitation rather than instruction.

Therefore, it is vital that HR / L&D / OD practitioners have a full awareness of the organisational context through a full and thorough diagnosis before embarking on implementing a range of OD interventions.

Indeed, HR / L&D / OD practitioners have a major role in developing OD interventions to manage change.

Monitoring

In order for OD professionals to justify their existence and gain credibility with their key stakeholders they need to highlight how OD adds value and contributes to sustained organisational performance. The evaluation of activities enables OD to:

- Highlight the contribution it makes to business objectives
- Benchmark with (1) previous years; (2) between the functions; (3) with other organisations and industry standards; (4) with key targets or key performance indicators (KPIs)
- Put in place adapted or new improved OD strategies that can contribute to organisational effectiveness

There is a range of quantitative and qualitative criteria that can be used to evaluate the contribution that HR makes to the organisation and its effectiveness. This could be through:

- Stakeholder reaction (i.e. key recipients, actors and / or beneficiaries of OD interventions)

Employee satisfaction surveys

Benchmarking (e.g. of practice before and after a certain OD intervention has been put in place)

- Key criteria that can be used to evaluate the contribution of OD interventions can include:

Organisational - added value, profit, costs per employee, market share

- Recruitment - time to respond to applicants, number of applicants, cost effectiveness, percentage of successful applicants, time to fill vacancies
- Selection - number of suitable candidates shortlisted, cost effectiveness, number of appointments, performance in the role once appointed, retention, turnover
- Absence - number of absences, recurrence of absences, number of working days lost, impact on productivity, impact on turnover / retention, 'Bradford factor

Monitoring (continued)

Therefore there are a number of factors to consider in terms of enabling stakeholders to measure the key purpose of OD and the resultant interventions:

- **Strategic integration:** OD interventions should be fully embedded and mutually supportive of the organisational aims, objectives and future strategy
- **Organisational Culture:** development of attitudes, skills, behaviours and knowledge - which enables workers to appreciate new working processes & practices in order to enhance long term organisational sustainability
- **Organisational Change: flexibility:** OD interventions aim to develop knowledge, skills, attitudes and behaviours which ensures workers are able to undertake new activities and adapt to the changing environment and customer needs
- **Employee involvement:** encouragement of workers to becoming more proactive and involved in the decision making process. The aim, being the enhancement of commitment, motivation and more informed decision-making
- **Team-working / knowledge sharing:** more collaborative team-working to enhance efficiency and effectiveness (across organisational boundaries) and the advancement of knowledge in terms of new ideas, new ways of working and meeting customer needs
- **Empowerment:** enabling individuals and groups to take more ownership for their decisions and their own development. This frees up management time (to become more transformational) and enables workers to becoming more customer & business aware and determine how their actions and development (self-directed development) impacts on long term sustainability
- **Performance / rewards:** ensuring that workers are fully empowered in terms of their impact, through the provision of a transparent framework that highlights desired competencies, performance indicators and incentives to meeting these
- **Talent and development frameworks:** workers are empowered to identify their own customised career paths, and develop and sculpture their role in order to have an effective impact on organisation
- **Return on investment / metrics:** effective OD practitioners need to put in place mechanisms for tracking and monitoring progress of OD interventions (see below)

3

Learning Outcome 3

Be Able to Specify and Describe the Knowledge and Skills in an OD Role

Concept of OD

“Most people in the field agree that OD involves consultants who try to help clients improve their organizations by applying knowledge from the behavior sciences =

Psychology

, sociology, cultural anthropology, and certain related disciplines. Most would also agree that OD implies change and, if we accept that improvement in organisational functioning means that change has occurred, then, broadly defined, OD means organizational change.”

(Burke)”

Organizational development is an ongoing, systematic process to implement effective change in an organisation. Organizational development is known as both a field of applied behavioral science (soft skills) focused on understanding and managing organizational change and as a field of scientific study and inquiry (methods or HR practices of change). It is interdisciplinary in nature and draws on sociology, psychology, and theories of motivation, learning, and personality

Psychology is very important to OD. Watch the video below and discuss how Psychology could be applied in your organisation to motivate other staff member and improve performance.

Watch this!

<https://www.youtube.com/watch?v=7sxpKhlbr0E&t=44s>

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Analyse Different Roles in OD

It seems very hard to explain what OD actually is, as it covers so many areas and can cross so many organisational and functional boundaries. The development of OD theory and practice over the years has in fact integrated a range of behavioural science disciplines including anthropology, management, occupational therapy, psychology, psychiatry and sociology.

Turning to management, OD could be said to have its origins in the research and practices of scientific management as advocated by Taylor and his focus on divisionalisation, management control, efficiency and transactional rewards.

As has already been discussed, OD is all about putting in place interventions that will enable the organisation to operate more efficiently and effectively within a changing and evolving environment. However, in order to achieve this OD relies on the diagnosis, planning, implementation, assessment and evaluation undertaken by key stakeholders in the process, who may undertake specific roles, importantly in collaboration with one another working towards a number of key end aims / outcomes.

As OD is a holistic, systematic and planned process, it cannot be relied upon for distant and remote OD / HR practitioners to implement interventions in isolation. Rather the process relies on all key stakeholders within (and even outside) the organisation contributing to the process. All of these have a role to play in the OD process.

Key OD Stakeholders

Key stakeholders include:

Senior Executives: who will devise, implement, develop and drive forward the organisational strategy, ensuring that OD interventions are fully integrated with the overall organisational aims and objectives and that all of the interventions are mutually supportive of one another. Senior Executives are expected to provide overall direction and commitment. They will undertake a steering, coordinating and evaluative role in ensuring all other key stakeholders are fulfilling their required roles

Line Managers / Team Leaders: are key players in improving organisational effectiveness through motivating, developing and coaching their workers in acquiring and developing skills, knowledge, attitudes and behaviours in order to adapt to changing circumstances. Through actively involving the workers in the change process team leaders will help facilitate a high performance working culture. Team leaders will work closely and collaboratively with the HR / OD practitioner in formulating, implementing, delivering and enhancing OD interventions and solutions in order to enhance efficiency and effectiveness. Line managers can have a major impact on performance, development, engagement, employee involvement and on the individual's / team's ability and willingness to adapt to change

Workers: in order for OD interventions to be fully effective, the organisation is reliant on its workers becoming active participants in the OD process. So rather than workers who are 'passive actors' in developing interventions, the expectation is for workers to become more self-directive and engaged in contributing to the long terms aims of the organisation. This will involve the nurturing and development of a culture where workers have flexible attitudes and behaviours that are fully supportive of self-directive learning, multi-skilling, knowledge sharing / generation, team-working and career development planning.

Strategic narrative: ensuring all workers fully understand and appreciate the long terms aims and objectives of the organisation and their role in fulfilling these

Career development plans: given that the workers fully understand their role, they also need to be empowered to identify how their own career development can contribute to current and future evolving aims and objectives. Further support mechanisms in terms of coaching, resources and advice on opportunities are vital

Involvement and participants schemes: that will enable workers to have an active involvement in the decision and change management process. Arguably workers are more willing to adapt and embrace change if they have more ownership and responsibility within the process. This may generate new ideas and innovations for future change

Teamworking and knowledge-sharing: provision of opportunities for workers to enhance their knowledge within and across organisational boundaries. This will enhance the organisation's knowledge base, flexibility, adaptability and raise awareness of the continuous need for change

Key OD Stakeholders (continued)

Performance and reward: ensures workers are fully aware of their contribution and motivated to enhance this contribution

Organisational / role design: workers who are fully aware and understand the strategic narrative can be further empowered to design their role to fully meet and complement organisational aims and objectives.

External stakeholders: the increasing use and advancement of technology (i.e. social media technology), enables a wider range of stakeholders to become more actively involved in enhancing organisational effectiveness. For example, external consultants can provide specialised OD advice remotely across international boundaries, or suppliers and joint venture partners can actively communicate, evaluate and manage processes that enhance communication and knowledge sharing in order to ensure the product or service reaches the end user more effectively and efficiently (e.g. Dell Computers uses global 'networked' structures of virtual team working in getting their product to the customer).

Who are the Top Key Stakeholders in your Business?

If OD activities were to be carried out in your business, who would your top five stakeholders be and why?

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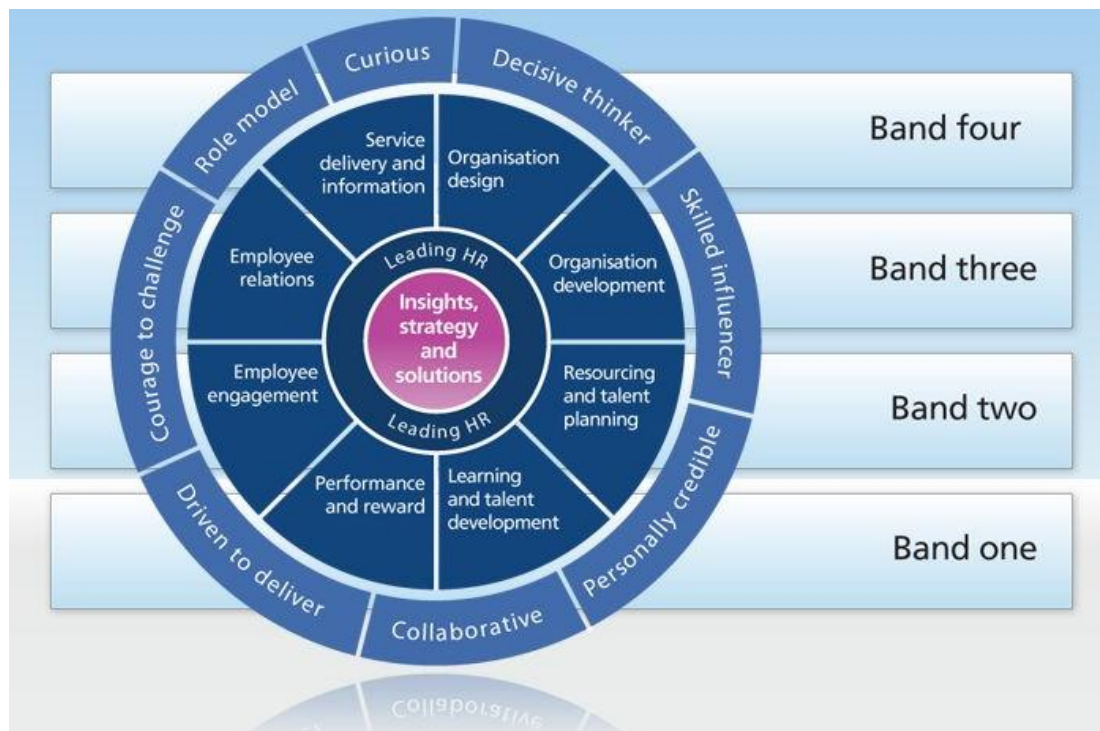
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Describe & Explain the Knowledge & Skills Required in an OD Role

If organisational success is reliant on the development of the skills, knowledge, attitudes and behaviors of workers and their ability to adapt to changing circumstances, the role of the L&D / HR practitioners is vital in terms of providing strategic insights & solutions and developing the necessary structures, systems and frameworks to help facilitate a philosophy of continuous organisational development. The growth of the business partnering role has resulted in the expectation of the HR practitioner becoming more actively involved in supporting and advising on organisational strategy. Additionally, the HR professional is expected to work more collaboratively with managers (and other stakeholders) in diagnosing issues and devising people management solutions in partnership (see CIPD Business Partnering Factsheet).

Therefore, effective HR practitioners need to have strategic insights in terms of developing strategies and solutions to enhancing organisational development. The CIPD's HR Profession Map provides a framework that enables HR practitioners to identify and develop themselves. HR practitioners should consider the 10 professional areas and 8 behaviours of the HR Profession Map, where particular attention should be given to the first two: (1) Strategy insights and solutions; and (2) Leading and managing the human resources function will enable HR to put in place frameworks for developing HR strategies that can help support and further OD strategies



Describe & Explain the Knowledge & Skills Required in an OD Role

Write down 5 core skills that you believe an OD specialist should have and own. What do you think is important to this type or role and why.

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Core Skills Needed in OD

The core skills needed in organizational development include organisational skills, people skills, direction-setting skills, and process skills. Organisational skills mean that the person should have the ability to foresee the new design of the business and make suggestions as to how it can be developed further.

People skills are focused on the ability for individuals to be motivated and have the direction to drive the business forward using training and development. Direction-setting skills include the relate to the vision and direction of the organisation. Process skills include the ability to redesign the processes which are a direct result incurred as a result of the business change process. As a result of this, there are several competencies required;

- Active listening
- Strong communication
- Strategic Understanding of the business
- Care and Sensitivity
- Diplomacy
- Leadership skills
- Understanding
- Effective Decision Making
- Understanding of hard numerical information
- Stakeholder Analysis
- Business Acumen
- Facilitation Skills - one to one groups as well as larger groups of employees
- Relationship Builder

Key Competences Required by the Stakeholders

Each phase (see below) of the process requires the input of different roles and the use of skills, knowledge and competencies in order to enhance the successful implementation of OD interventions. All stakeholders will be expected to adopt effective team-working techniques where they raise their awareness of the diverse needs of the each other and how to adapt to their own way of thinking (if necessary) to meeting these needs.

- **Diagnosing:** HR / OD specialists working collaboratively with senior and line managers will undertake an initial diagnosis of the organisational aims and objectives, customer needs and future opportunities and threats in order to determine future interventions and solutions.
- **Contracting:** organisation sponsors and data analysts are able to determine in more detail the costs and resource requirements for commissioning outside providers who may contribute to the OD process (e.g. external consultants, outsourced organisations). HR / OD practitioners will provide clear advice on role specification requirements.
- **Defining / Initiation:** this can involve a whole range of external stakeholders who are able to provide their input into the process. A skilled facilitator will be able to draw out the key requirements of each stakeholder and, if independent, can take on 'a devil's advocate' role where they are able to highlight and challenge deep rooted and embedded assumptions or potential barriers to development and change.
- **Liaison:** OD / HR specialists, line managers and external consultants or change agents could ensure there is active dialogue with key stakeholders where continuous advice is provided which encourages further empowerment and input. Senior and line managers can adopt a coaching style that encourages self-directed participation.
- **Planning:** the project lead / sponsor will ensure accountability and has the courage to challenge delaying deadlines and barriers to successful implementation.
- **Implementing:** again the project lead / sponsor will monitor and revise actions. Financial experts can provide advice on cost implementation of not meeting targets, whereas data analysts can provide advice with regards to the impact on operational issues. Again, senior and line managers can adopt a coaching style that encourages self-directed participation and learning.
- **Evaluation:** evaluation of deliverables against agreed outcomes. The project lead can hold people to account. Good facilitation skills are needed in order to gain full and detailed feedback in order to enhance the process for the future.

Other Skills

Clarify the aims: Understand the culture and values context for establishing the role

- Foster support for the change: Help to create client readiness for consultancy skills throughout the organisation by developing their skills and marketing the benefits
- Establish who does it: Be clear about the specific consultancy skills required for the role, and select individuals on the basis of this
- Build the competence: Provide consultants with ongoing development at both individual and team/group levels
- Act like externals: Build credibility by contracting effectively with clients • Be prepared to act as “expert” as well as “collaborator” Help clients with anxieties they may have around taking on extra responsibilities
- Know your limits: In terms of capabilities and skills and what’s realistic against what the client is asking for
- Pay attention to the politics: Get to know the internal politics and build networks for greater impact

Internal or External?

When an organisation decides to use OD as a potential solution to making change, what difference do you think internal or external consultants make?

External	Internal
Credibility via brand status	Credible via history of business
Brings new ideas	Deep organisational perspective
Limited business knowledge	Understands culture and structure
Objective	An agent of change
Special visitor/guest	Employee
Low investment in final success	High investment in success
Meet client expectations	Meet employers objectives

Fill in the table above and write down the differences between the two in terms of difference in contract features and how their role might be viewed. We make some suggestions on the following page.

Internal or External? (continued)

External	Internal

Concluding Thoughts

OD involves a systematic and planned approach to developing the long term effectiveness of the organisation. A planned approach involves the provision of a clear process with a clear overview of accountabilities and milestones which will enable all key stakeholders to determine what the organisation is working towards and any remedial action that is required.

here is a wide range of tasks and expectations that need to be fulfilled when implementing systematic and planned OD interventions. This will result in the need for higher level organisational and planning skills in order that expectations can be managed and tasks prioritised. Factors to consider:

- The impact of the intervention(s) on the organisation and its stakeholders
- The level and scope of the work involved
- The consequence of delay or not completion of the intervention
- The expectations of key stakeholders
- The power, interest and influence of the key stakeholders in terms of the OD intervention

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Module Reflection

Notes

A series of horizontal dotted lines for writing notes.

Notes

A series of horizontal dotted lines for writing notes.

Module Reflection

What are my key learning points?

What were my objectives?
How did I achieve these?

How will I apply my learning?

How will I follow this up with relevant individuals in my organisation?
When, where, how?

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